SPECIAL ISSUE

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THE SPIRIT OF INDEPENDENCE

Voices from America's Economic Frontiers

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JAKE RAJS/THE IMAGE BANK

THE SPIRIT OF INDEPENDENCE

Something remarkable is happening in America. An entrepreneurial renaissance is under way, the likes of which we have not seen in 60 years. All across the country, people are starting companies at a record-breaking pace. But the statistics tell only part of the story. Who are the men and women launching these companies? How are they changing the world of business? Where are they going? Who is being left behind?

This spring, INC. senior editor Curtis Hartman traveled around the United States, tape recorder in hand, talking to the people who are reshaping the American economy, and who are being reshaped by it. His goal was not to tell their story, but to let them tell it, in their own voices and words.

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MAKING WAVES

On LPTV, Entrepreneurs Have Starring Roles

JEFFREY NIGHTBYRD IS ONE television executive who doesn't care a bit about Wall Street's big media takeovers. His own growth strategy relies on starting enough television stations to build a national network from scratch.

JOHN TROHA/BLACK STAR

Low Power Technology's Jeffrey Nightbyrd hopes to attract national advertisers with college-age viewers.

For him, and for hundreds of other entrepreneurs tuning in to low-power TV (LPTV), the challenge is winning over viewers and advertisers that are already overwhelmed by entertainment choices. Nightbyrd is president of Low Power Technology Inc., which operates two LPTV outlets whose signals reach a fraction of the distance of traditional stations. After authorizing the service in 1982, the Federal Communications Commission was crushed with applicants—there is still a backlog of 20,000—wanting to bring local programming to underserved areas. Nearly 300 stations are on the air, a number that will probably double soon.

An LPTV outlet costs about $500,000 to build, around one sixth the price of a full-power station. Many count on advertising from local retailers. "From an advertiser's point of view, it's buying TV time at radio costs," says Rick Hutcheson, president of Local Power Television Inc., which owns three LPTV outlets and has three more in the works.

Nobody knows if LPTV can put on a profitable show. One winning strategy may be to own a network of stations that deliver similar viewer demographics, thereby attracting national advertisers. Nightbyrd is targeting college-student audiences, but first has to convince investors of that market's potential. "All I've gotten are some big-league flirtations from some venture capital firms," he says.

Investors may be discouraged that much of the current programming—reruns, religious services, and music videos—is about as stimulating as a test pattern. John Kompas, a Milwaukee consultant, says that programs highlighting local events and people will be a key to success. LPTV will also improve, he says, when "the people who supply programming become aware of the market." —*J.H.*

E. R. DEGGINGER/ANIMALS ANIMALS

"If someone starts talking about 600-pound gerbils, then it makes news." Rod Stacey, President, United AgriSeeds Inc., on the overblown promises made about biotechnology.

SCORECARD

Walking Under Ladders

The skyrocketing cost of liability insurance is having serious consequences for businesses. High legal and insurance costs have led two drug companies to curtail production of vaccines that protect children from whooping cough. And many small companies can't get adequate liability insurance for their officers and directors.

Of course, these businesses aren't the only ones bearing the costs of a litigious society. It may not really be bad luck to walk under ladders, but it certainly must seem so to the companies that produce them. When people hurt themselves with a ladder, they tend to blame the company that made it. Amazingly, ladder manufacturers pay more than 8% of sales for product-liability insurance, according to the Insurance Services Office Inc. (ISO), which develops standarized forms and recommends rates for the industry.

EDITH G. HAUN/STOCK BOSTON

"We've been sued on probably six or seven occasions in the past 10 years for ladders we didn't even make. That's outrageous," says W. A. Flint Jr., president of A. W. Flint Co., a 105-year-old family business in New Haven.

Rank	Product	Insurance cost as % of sales
1.	Wooden ladders	8.7
2.	Other ladders	8.0
3.	Wheels, including car & truck wheels	2.7
4.	Drugs, medicine, & pharmaceuticals	2.5
5.	Exercise & playground equipment	1.5
6.	Sporting goods/athletic equipment	1.5
7.	Household-type power tools	1.3
8.	Machinery & machine parts	1.3
9.	Drugs, medicine, & pharmaceuticals for animals	1.1
10.	Elevators	1.1

Source: Insurance Services Office Inc.

Here are the highest advisory rates for product-liability insurance that pays claims of up to $25,000 for combined bodily injury and property damage—the type bought by small businesses that are likely to incur limited liability. These are the ISO's base rates and don't include discounts for deductibles, which can cut the rate in half in some cases. —*V.I.*